

FUELLING THE OCCUPATION

The Swedish transport
of oil to occupied
Western Sahara

*The Swedish company Wisby Tankers AB is
leading in a controversial trade: supplying
occupied Western Sahara with
petroleum products*



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FRONT PAGE PHOTO:

Atlas Sahara's oil depot in El Aaiun,
occupied Western Sahara.

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Western Sahara Resource Watch
(WSRW) is an international
organisation based in Brussels.
WSRW is working in solidarity
with the people of Western Sahara,
researching and campaigning
against Morocco's resource
plundering of the territory.

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*Wisby Cedar observed in El Aaiun, occupied Western Sahara, February 2010.
The vessel did two voyages to El Aaiun that month.*



EXECUTIVE SUMMARY

The Swedish shipping company Wisby Tankers AB is the leading transporter of petroleum into Western Sahara, a territory under Moroccan occupation. The controversial business of such transportation is managed by Casablanca Tankers AB, a Swedish registered joint venture between Wisby Tankers AB and Moroccan partners.

Western Sahara Resource Watch (WSRW) has analyzed the movements of the joint venture's two oil tankers, *Wisby Argan* and *Wisby Cedar*. Our research shows that since the two Wisby vessels came into operation in 2010, they have sailed into the occupied territory on average every twelve days.

The volume is astonishing: the vessels are supplying the occupied territory an average of over half a million litres of petroleum each and every day, day in and day out. In total, WSRW estimates that Wisby's two tankers annually transport 194 million litres of petroleum products into Western Sahara - with a value probably around € 106 million. That constitutes the majority of the perhaps 250-280 million litres/year petroleum that is delivered into the territory.

Wisby Tankers has been carrying out this trade for a decade and the petroleum it transports is used to uphold the occupation. It goes almost without saying that the Saharawis in Western Sahara also need petroleum products for civilian life-sustaining purposes. Yet, the petroleum is mostly used by the Moroccan administration, army, settlers and for plunder of the territory's rich natural resources. Without the oil imports the illegal occupation would be practically impossible to maintain.

LIST OF ABBREVIATIONS

CEPSA	<i>Compañía Española de Petróleos S.A.U</i>
DWT	<i>Deadweight tonnes</i>
LPG	<i>Liquid propane gas</i>
MINURSO	<i>United Nations Mission for a Referendum in Western Sahara</i>
UN	<i>United Nations</i>
US \$	<i>United States Dollar</i>

ENERGY FOR OCCUPATION



Western Sahara is considered by the UN as Africa's last colony. The people of the territory have been assured the paramount right of international law to decide on their status through the exercise of self-determination. The Saharawi people, who alone inhabited what was known as Spanish Sahara until it was invaded in 1975 by Mauritania and Morocco, are recognized by more than 100 United Nations resolutions as having the right to self-determination. In addition, an advisory opinion of the International Court of Justice underlines this right, the Court also noting that no other state has a territorial right or claim to Western Sahara! It is for these reasons that Morocco's claim to sovereignty over the territory is not recognised by any state nor by the UN.

Since 1975, the question of natural resources in Western Sahara has presented problems for the United Nations and the international community. The resources include phosphate mineral rock, the fishery on the mid-Atlantic coast, and possibly hydrocarbons. In 2002, the UN Legal Office stated that "if further exploration and exploitation activities [of hydrocarbons in Western Sahara] were to proceed in disregard of the interests and wishes of the people of Western Sahara, they would be in violation of the international law principles applicable to mineral resource activities in Non-Self-Governing Territories."ⁱⁱ

Mauritania left Western Sahara after admitting its invasion had been wrong and concluding a peace treaty with the Saharawi people. Yet, still, about three-quarters of Western Sahara is occupied by Morocco. Since 1991, the UN has administered a process intended to take the Saharawi people toward

a self-determination referendum, a matter now stalled because Morocco will not agree to a result that might include the Saharawi people choosing their independence.

To secure its presence in Western Sahara, Morocco has done three things. First, it constructed and now maintains one of the world's longest fortified structures, a low sand wall – called the berm – with hundreds of military outposts fronted by some five million landmines which extends about 2400 kilometres diagonally across the territory. Along the berm tens of thousands of Moroccan armed forces soldiers are stationed, at a high cost to the kingdom's treasury.

Second, Morocco continues to settle its citizens into the part of Western Sahara that it occupies. This activity is illegal under international law and in the circumstances of a belligerent occupation it is considered a crime, defined by the 1998 Rome Statute of the International Criminal Court and the 1949 Fourth Geneva Convention. The settlement of Moroccan nationals – who are now thought to outnumber the Saharawi who remained in Western Sahara after 1975 by two to one – perpetuates the occupation. This influx of people is facilitated by a number of incentives, among which, the subsidizing of petroleum products.

Third, Morocco has attempted to develop an economy within the territory. A substantial part of this economic development – carried out to ensure employment and the creation of industry in order to entrench Morocco's presence – is the extraction of natural resources. Fisheries fleets are based at three coastal ports, while a mine at Bu Craa produces two million tonnes of phosphate rock for annual export.

Moroccan military and police vehicles are omnipresent during Saharawi demonstrations in Western Sahara.



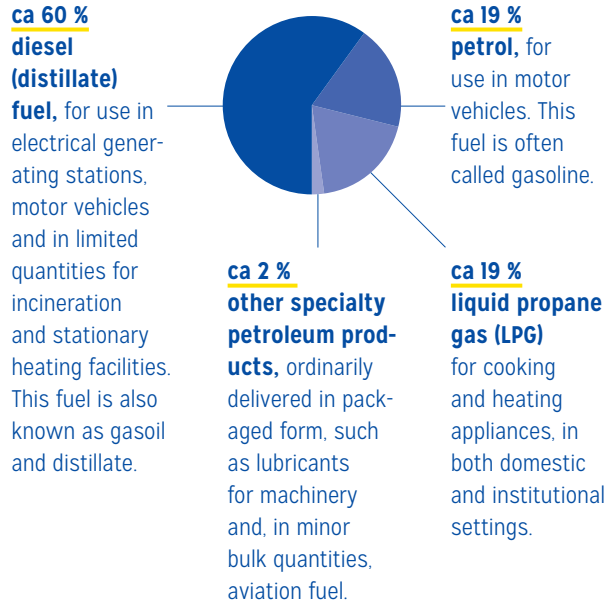
Those phosphates in 2013 had a market value of US \$ 330 million.ⁱⁱⁱ The current economy of the territory under occupation provides no benefits for the other 160,000 Saharawi people who live in refugee camps across the border in Algeria. The Saharawis living in the occupied territory are to a large extent marginalized on the job market.

The occupation of Western Sahara is powered by petroleum. Few other sources of energy are available for military purposes and to the civilian population. Solar energy and wind turbine produced electricity are very limited in scale.^{iv} Petroleum is used directly in machinery such as mining equipment at Bu Craa and military vehicles positioned along the berm. It is used indirectly in large quantities for electrical power generation. Without petroleum, Morocco would not be able to sustain its occupation.

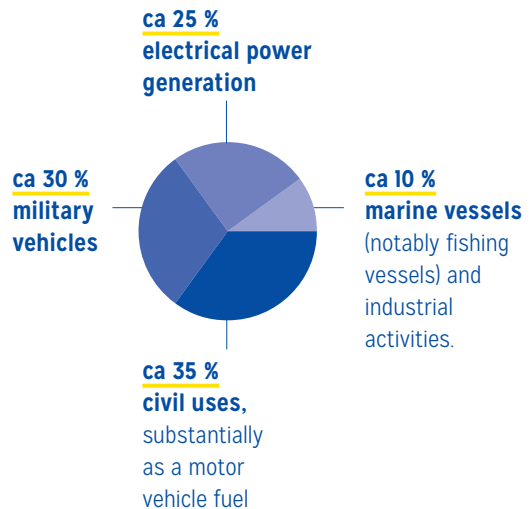
Diesel fuel, petrol and LPG are supplied into Western Sahara in bulk, carried into the territory's two principal seaports by marine tankers. Comparatively limited volumes of petroleum products are brought into the territory over land from Morocco.

Petroleum delivered to occupied Western Sahara is stored in tank farms (depots), principally at El Aaiun and a secondary facility at the port area in Dakhla. There is no system of pipelines in the territory for onward distribution of petroleum and only local storage sites are used outside of El Aaiun and Dakhla. The Moroccan army maintains numerous modest fuel storage facilities along the length of the berm. There appears to be no overall storage capacity in the territory for more than 30 days of ordinary demand.

The petroleum that is imported into Western Sahara is of four types. The percentages are estimates only:



The allocation of use of diesel fuel entering Western Sahara. Estimates only.



ENTER THE SWEDES



El Aaiun and Dakhla harbour together receive an average of over half a million litres of petroleum – 531,000 litres – each and every day, day in and day out, from the two Wisby tankers.

The involvement of the Swedish shipping company Wisby Tankers AB cannot be overestimated. At least two-thirds and perhaps as much as three-quarters of all petrol and diesel fuel in the occupied territory is supplied by the company's two petroleum tankers, the motor vessels *Wisby Argan* and *Wisby Cedar*. These vessels go in shuttle between mainland Spain and Western Sahara. Most of the imports to Western Sahara take this route. Some petroleum destined for the territory is also shipped from Morocco, and the Canary Islands. No petroleum is supplied from Mauritania, and very little comes over land from any source into Western Sahara.

The two *Wisby* ships are state-of-the-art modern marine tankers.

Registered in Norway, they were built in 2009 and 2010 at Penglai Zhongbai Jinglu shipyard in China.^{vi} Each of the 100 metre long tankers has a capacity of about 7,100 cubic metres – 7,100,000 litres – in nine tanks. In making deliveries the ships' tanks are filled to about 95% of rated capacity; just over 6,400,000 litres.

Petroleum is normally loaded aboard the *Wisby Argan* and *Wisby Cedar* at Carteya Guadarranque in southern Spain, near Gibraltar. The exporting company is most probably the multinational Compañía Española de Petróleos S.A.U. (CEPSA), which operates a refinery there. Since 2011, CEPSA has been majority controlled by Abu Dhabi's International Petroleum Investment Company. WSRW asked CEPSA about its supply of

petroleum to occupied Western Sahara, but did not receive any answer at time of publication of this report.^{vii}

Deliveries by the *Wisby Argan* and the *Wisby Cedar* are scheduled to meet the demands for petroleum at the largest population and government centres in the occupied territory. El Aaiun has a larger civil population than the rest of the Moroccan held part of the territory combined. As such, some two-thirds of all diesel fuel and petrol delivered into Western Sahara is unloaded at El Aaiun.

The *Wisby Argan* is the busier vessel. The vessel first came into operation in Western Sahara on 13 March 2010. In the following 1511 days until 1 May 2014, WSRW has recorded 68 visits to El Aaiun and 12 visits to Dakhla. *Wisby*



Wisby Barbados shipped the first years between CEPSA's refinery on Tenerife and the occupied territories. This image is from Tenerife harbour in 2008. The vessel was later sold, and is no longer operative in Western Sahara waters. Now, two other of the company's tankers have taken her place, playing a major role in supplying the territory with petroleum products.'

Cedar came into operation on 16 August 2010. Until 1 May 2014, 1354 days later, the *Wisby Cedar* had made 44 visits to El Aaiun and 5 shipments to Dakhla.

The two *Wisby* vessels called thus a total of 129 times at a port in Western Sahara. On 10 occasions, the vessels called at both Dakhla and El Aaiun on the same voyage, one port after the other. This means, logically, that one of the company's vessels entered the territory, presumably fully loaded with petroleum, 119 times during the period. Or once every twelve days.

The result is an average annual supply by the two tankers of 194 million litres diesel fuel and petrol. In other words, El Aaiun and Dakhla harbour together receive an average of over

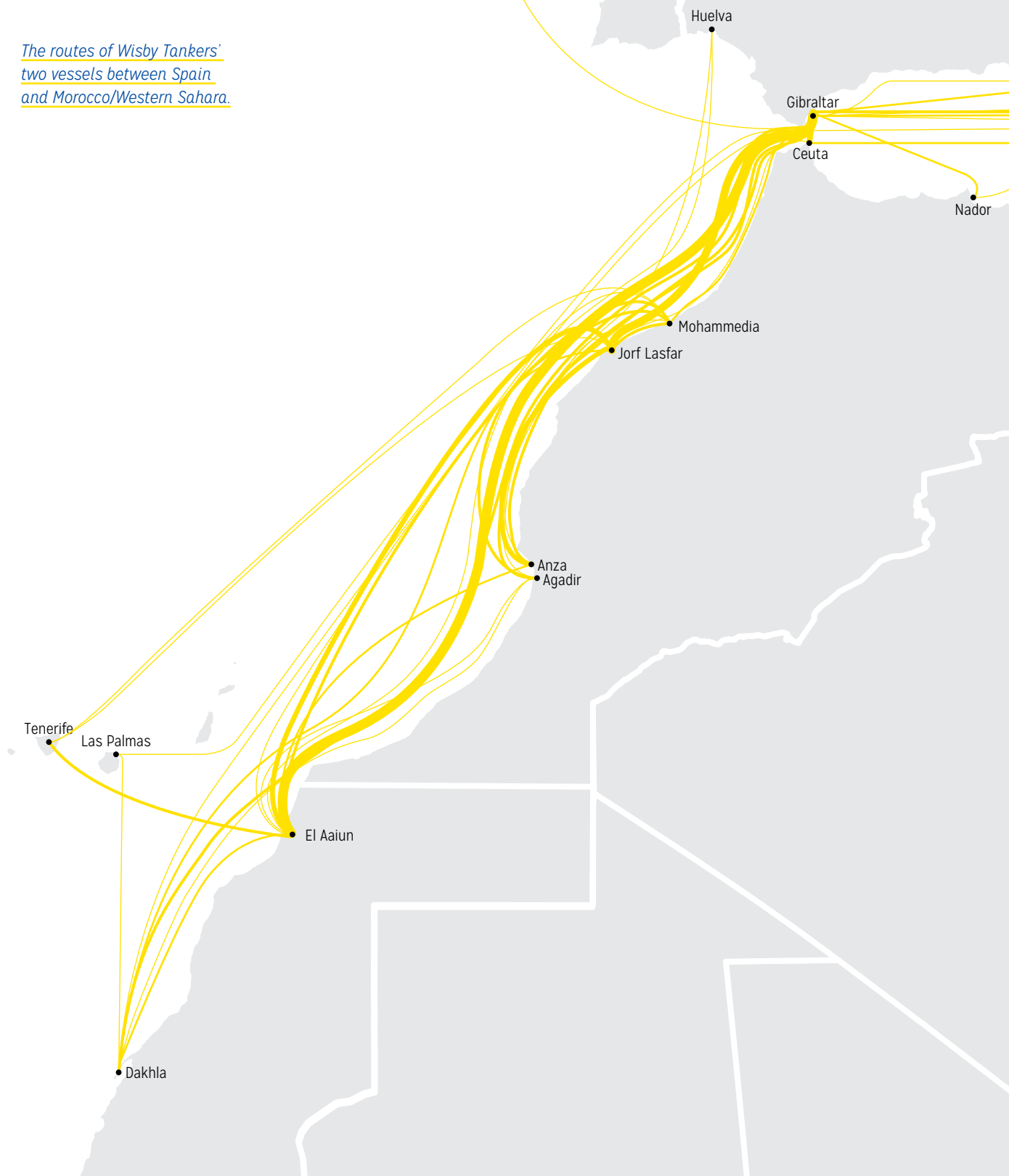
half a million litres of petroleum – 531,000 litres – each and every day, day in and day out, from the two *Wisby* tankers.^{viii} WSRW estimates that the overall or total supply of petroleum into the territory is around 250-280 million litres/year. *Wisby Tankers AB* is thus responsible for most.

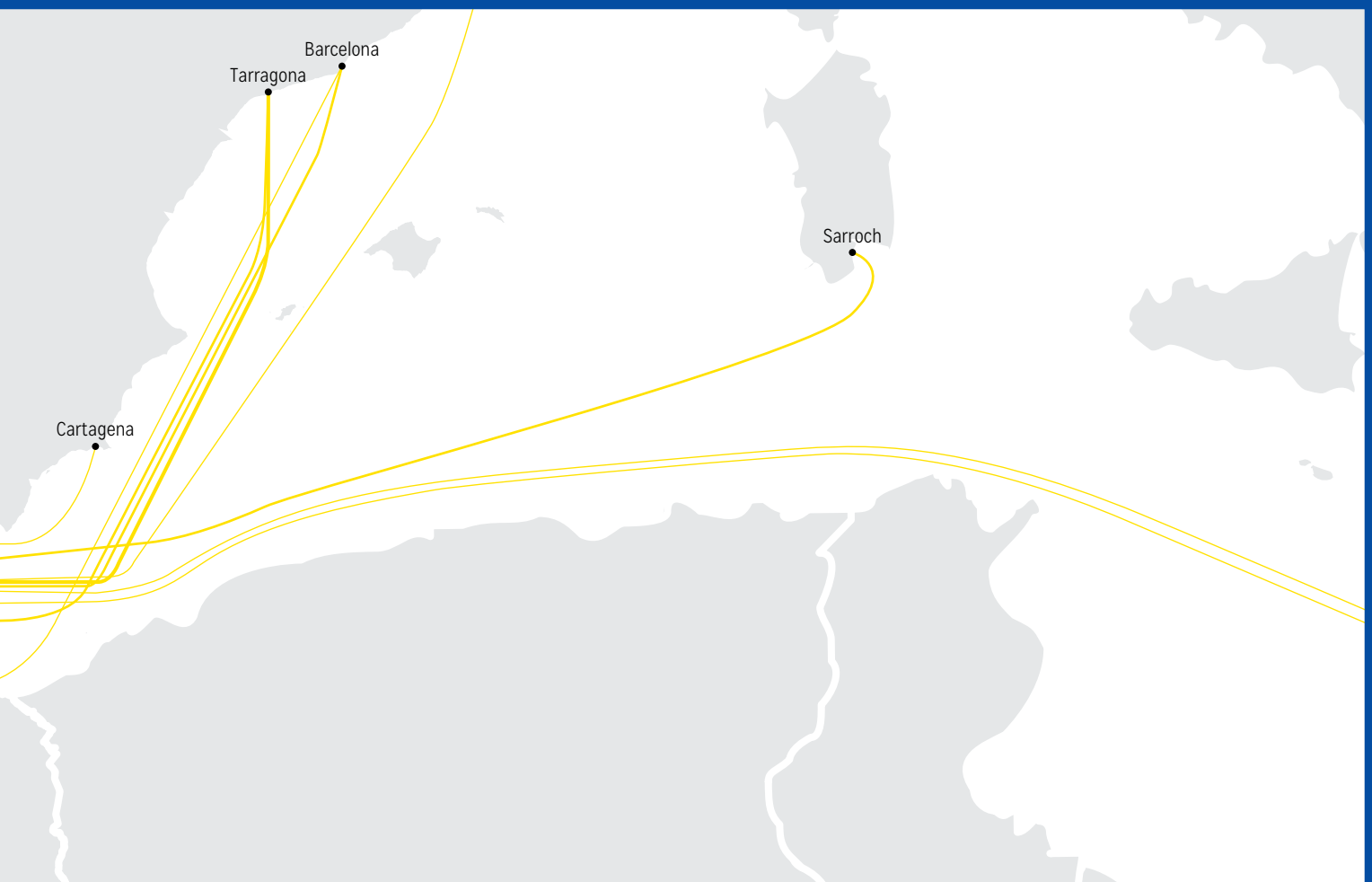
The business must be a valuable one for CEPSA and *Wisby Tankers AB*. A conservative estimate of the price paid for delivered petroleum (averaged between petrol and diesel fuel, as purchased and without taxes) is € 0.55/ litre. With such an estimate, *Wisby Argan* and the *Wisby Cedar* supply petroleum annually valued at around € 106 million. *Wisby Tankers AB* has previously declared it does not earn much at all from the trade.^{ix}

Over the past four years, the overall volume of petroleum supplied to Western Sahara has increased, although that delivered by the *Wisby Argan* and *Wisby Cedar* has remained constant. The higher demand has been a result of greater civil population and some infrastructure projects in the occupied part of the territory. Requirements for military uses appear to have remained constant, consistent with an unchanged army presence and level of activity. It is estimated that petroleum demand in occupied Western Sahara has annually increased from 2 to 5 % during this four year period.

THE PETROLEUM ROUTE

The routes of Wisby Tankers' two vessels between Spain and Morocco/Western Sahara.





WISBY CEDAR



Wisby Cedar continuously loads petroleum at Carteya Guadarranque in southern Spain, located just next to Gibraltar, most probably at CEPSA's refinery there. Here is the vessel's route on 2 June 2014. Graphic: Marinetráfico

- Completed in China in June 2010.
- In July 2010, the vessel left Chinese waters, passed through the Malacca Strait, Suez and Gibraltar, before picking up its first consignment of petrol in Spain, and then headed directly to Agadir and Dakhla by 16 August 2010.
- Until 1 May 2014 she had called 44 times in El Aaiun harbour and 5 times in Dakhla.

WISBY ARGAN



Here Wisby Argan is shot on repair at the AstiCan ship repair yard, Las Palmas on 1 March 2013. Only three days earlier, she had discharged a cargo of Spanish petroleum in El Aaiun.

- Completed in China in November 2009 and sailed the same route to Gibraltar as *Wisby Cedar*.
- Started immediately after on shipping to Dakhla and El Aaiun, the first shipment being on 13 March 2010.
- Until 1 May 2014 she had called 68 times in El Aaiun harbour and 12 times in Dakhla.

PROBLEMATIC PARTNER

Wisby Tankers was established in 2000 by a quartet of Swedish businessmen. Since then it has been in rapid expansion.^x A few years after its start-up, Wisby partnered with a Moroccan company for the transport of Spanish refined oil to Morocco/Western Sahara.

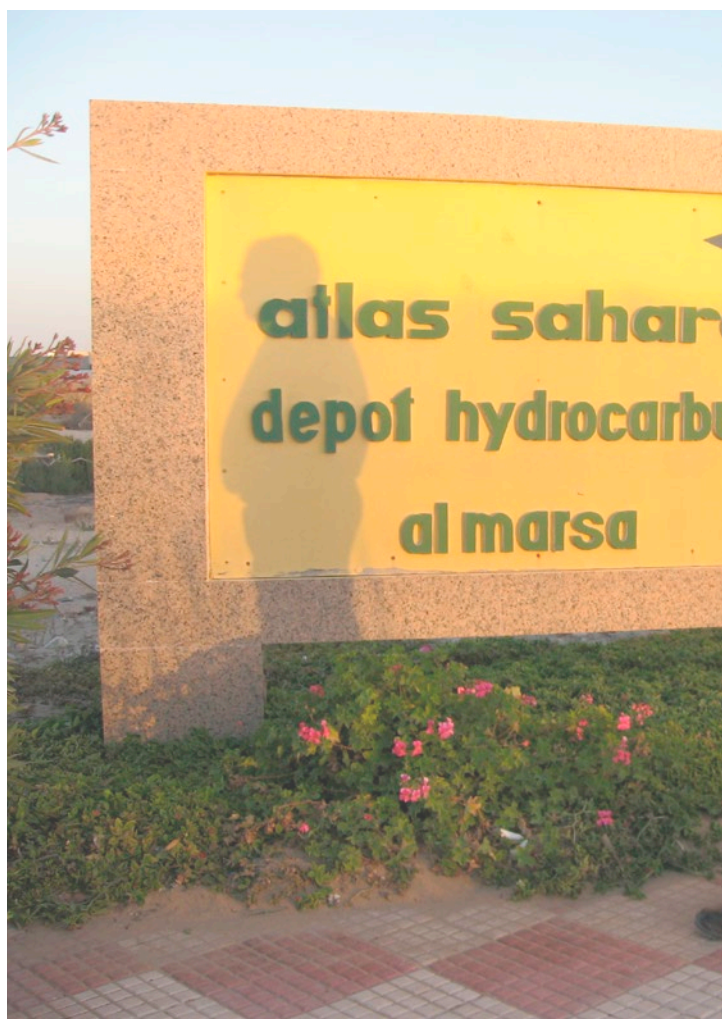
The partnership took the name Casablanca Tankers AB, and was founded on 25 July 2004 and registered in Sweden in October the same year.^{xi}

The first time WSRW observed the involvement of Wisby Tankers in Western Sahara was in 2005. The company had already acquired an older Swedish tanker – ‘Stena’– and renamed it Wisby Barbados. Wisby confirmed to the Swedish Western Sahara Association at the time its involvement, stating that the deliveries were done on behalf of the Spanish oil company CEPSA. The 6,330 tonne vessel transported oil products from CEPSA’s refinery on Tenerife. She was crewed with a Swedish/Filipino complement.

However, the tanker Wisby Barbados was not enough to meet demand. “They needed dedicated tonnage and we knew how to build it for them”, said Mr. Rubinstein, technical director of Wisby Tankers AB.^{xii}

So they did. Casablanca Tankers AB commissioned a shipbuilder in China to build the two tankers for the purpose of serving the route from Spain to Morocco/Western Sahara.^{xiii} The two vessels *Wisby Cedar* and *Wisby Argan* are the only two vessels owned by Casablanca Tankers AB. The old Barbados was sold.

The business model remains constant: The Casablanca Tankers partnership owns the vessels. Wisby Tankers AB has management of them. And, finally, the vessels are “chartered by Atlas Sahara, who decides where they are going”, according to managing director, Jonas Engström, in 2013.^{xiv xv}






[Atlas Sahara is Wisby Tankers' joint-venture partners, and practically holds a near monopoly position on the imports and distribution of petroleum in occupied Western Sahara. These images show Atlas Sahara's installations in El Aaiun, Western Sahara.](#)

Atlas Sahara has a near monopoly of petroleum distribution in Western Sahara, where the group is said to control 47 petrol service stations. For 2014-2015, the Derhem Group has planned the building of one more storage facility in El Aaiun. From earlier reports, the group owns one depot in Dakhla and another in El Aaiun harbour.^{xvi}

Casablanca Tankers AB is, according to its latest available annual report, owned 50% by Wisby Tankers AB, 45% by Derhem Holding, 2.7% by one of its board members Es-Said Choufani, and the remaining 2.3% by the Moroccan national Abdellillah El Mezouar.^{xvii} Even though Derhem Holding is the main Moroccan counterpart in Swedish company registries, the partnership is generally described as a 50-50 joint-venture between Wisby and Atlas Sahara.^{xviii} Derhem Holding is also the owner of Atlas Sahara.

Wisby's first partner in this joint-venture, back in 2004, was Hassan Derhem, one of the richest men in Western Sahara. Derhem is a vocal supporter of the Moroccan occupation of the territory. He was appointed in 2006 by the Moroccan King as a member of the "Royal Consultative Council for Sahara Affairs", whose main agenda is to support the Moroccan government in creating legitimacy to the annexation of the territory.^{xix} Derhem's trade with petroleum products into Western Sahara is said to have started already in 1977, two years after Morocco invaded.^{xx} The same businessman is also active in fisheries and agriculture.^{xxi} Hassan Derhem no longer has a board role in Casablanca Tankers, but is brother of one of the four chairpersons of the company, Dahman Derhem.

Casablanca Tankers AB has a point of contact address in Norway, with M Hannestad AS, in the city of Halden, probably for handling of the Norwegian shipping register.



Wisby Tankers AB, the most important company in supplying occupied territory with oil, is based in this building in the centre of Visby, on the Swedish island of Gotland.

WISBY TANKERS' POSITION

“Two of our company’s vessels are engaged in the transportation of fuel (gasoline and diesel) to the region that is presently not under any sanctions from either EU or UN. The fuel is exported onboard our vessels from major European Oil Companies and distributed to ports which include West Sahara. Even if it could be argued that the fuel we deliver can facilitate the operations in this region, it would be problematic for a company engaged in petroleum transports worldwide to halt operations in areas where opposite political interests exist”;

– Jonas Engström, Wisby Tankers.

The statement came as a response to questions asked by WSRW to the company in June 2014.^{xxii}



RECOMMENDATIONS

TO WISBY TANKERS AB AND ITS JOINT-VENTURE

CASABLANCA TANKERS AB:

- To take into consideration the political and ethical consequences of its transport of petroleum to occupied Western Sahara and immediately terminate such shipments until a solution to the conflict has been found.

TO THE EXPORTERS IN SPAIN SUPPLYING PETROLEUM TO WESTERN SAHARA:

- To take into consideration the political and ethical consequences of such exports and immediately halt such involvement until a solution to the conflict has been found.

TO THE GOVERNMENT OF SWEDEN:

- To encourage Swedish companies to not take part in business activities relating to the occupied parts of the Non-Self-Governing Territory of Western Sahara.

TO THE GOVERNMENT OF MOROCCO:

- To immediately terminate its annexation of the territory, and allow the people of Western Sahara to freely choose their status, consistent with international law.

TO THE GOVERNMENT OF SPAIN:

- To take action so that petroleum products refined in Spain are not exported to Western Sahara.
- To actively defend the right to self-determination of the people of Western Sahara, in line with Spain's obligations under international law.

TO THE UNITED NATIONS:

- To assess and recommend measures that will ensure the import of petroleum into occupied Western Sahara complies with the UN sponsored Frente Polisario-Morocco 1990-91 ceasefire and referendum agreement.
- To implement measures ensuring the supply of petroleum into occupied Western Sahara does not violate international humanitarian law and the rights of the Saharawi people. Such measures should particularly guarantee obligations prescribed by the 1949 Fourth Geneva Convention and the 1998 Rome Statute of the International Criminal Court, including that petroleum not be used in the resettlement of people from outside the territory into Western Sahara and in the taking of natural resources.

NOTES

- i. ICJ, Advisory Opinion, 16 Oct 1975, Western Sahara, <http://www.icj-cij.org/docket/index.php?sum=323&pl=3&p2=4&case=61&p3=5>
- ii. UN Legal Office, S/2002/161, Letter dated 29 January 2002 from the Under-Secretary-General for Legal Affairs, the Legal Counsel, addressed to the President of the Security Council. <http://www.un.org/Docs/journal/asp/ws.asp?m=S/2002/161>
- iii. Western Sahara Resource Watch, Report, June 2014, P for Plunder - Morocco's exports of phosphates from occupied Western Sahara, 2012 & 2013. <http://www.wsrw.org/a105x2905>
- iv. Western Sahara Resource Watch, Report, August 2013, Dirty Green March - Morocco's controversial renewable energy projects in occupied Western Sahara <http://www.wsrw.org/a106x2638>
- v. Ex-Barbados is currently transporting petroleum in the Gulf of Guinea. The vessel was taken over by Brila Energy, which changed the name of the vessel to Itri. In 2013 Itri received international media attention as she was boarded by hijackers off the Ivory Coast BBC, 22.01.2013, Ivory Coast: Hijackers free ITRI fuel tanker, <http://www.bbc.com/news/world-africa-21159939>
- vi. "It is considerably cheaper and easier to register in the Norwegian International Ship Register. When shipping far from Sweden, the inspection practices do not function sufficiently smoothly with the Swedish flag, and the cost is higher. The Norwegian register delegates inspections to a considerable extent to the classification companies", stated the company on why both vessels fly the Norwegian flag. Swedish Shipping Gazette, 11.02.2011, Wisby Tankers första Kina-bygge på väg hem, <http://www.landgangen.se/forumsmf10/index.php?topic=10302.180:wap2>
- vii. Letter WSRW to CEPASA, 02.06.2014, http://www.wsrw.org/files/dated/2014-06-06/wsrw-cepsa_02.06.2014.jpg
- viii. *Wisby Argan* operated for 1511 days, *Wisby Cedar* operated for 1354 days. In average that makes 1432,5 days per vessel. The two tankers transported 6400000*119 days =761,6 million litres in total on the 119 times. The *Wisby Tankers* transported (761600000/1432,5 =) 531657 litres/day.
- ix. Västsahara, 2/2013, *Wisby Tankers ger bränsle åt ockupationen*, http://www.vastsahara.net/owncontent/pdfmags/2013_2.pdf
- x. Hela Gotland, 26.02.2011, *Wisby Tankers bara växer*, <http://www.helagotland.se/nyheter/artikel.aspx?ArticleId=4884967>
- xi. Casablanca Tankers AB, e-certificate, http://www.wsrw.org/files/dated/2014-06-07/casablanca_tankers_e-certificate.pdf
- xii. Tanker Shipping & Trade, April/May 2012. <http://content.yudu.com/Library/Alwml/TankerShippingandTra/resources/content/18.swf>
- xiii. Builders certificate information on the two vessels are available via the Norwegian International Ship Register, <http://www.sjofartsdir.no/shipsearch/>
- xiv. Västsahara, 2/2013, *Wisby Tankers ger bränsle åt ockupationen*, http://www.vastsahara.net/owncontent/pdfmags/2013_2.pdf
- xv. Tanker Shipping & Trade, April/May 2012. <http://content.yudu.com/Library/Alwml/TankerShippingandTra/resources/content/18.swf>
- xvi. Les ECO, 25.11.2013, *Atlas Sahara met le paquet*, <http://www.leseco.ma/business/16176-atlas-sahara-met-le-paquet>
- xvii. Casablanca Tankers AB, Annual Report 2012, dated 30 May 2013. http://www.wsrw.org/files/dated/2014-06-07/casablanca_tankers_annual-report_2012.pdf
- xviii. Tanker Shipping & Trade, April/May 2012. <http://content.yudu.com/Library/Alwml/TankerShippingandTra/resources/content/18.swf>
- xix. Les membres du CORCAS, <http://www.corcas.com/fr/SearchResults/LesMembresduCORCAS.aspx>
- xx. Casablanca Tankers AB, Annual Report 2004, http://www.wsrw.org/files/dated/2014-06-02/annual_report_2004_casablanca_tankers_ab.pdf
- Västsahara, 2/2013, *Wisby Tankers ger bränsle åt ockupationen*, http://www.vastsahara.net/owncontent/pdfmags/2013_2.pdf
- xxi. WSRW.org, 19.06.2012, *The tomato barons of the occupied Western Sahara*, <http://www.wsrw.org/a214x2312>
- xxii. WSRW asked *Wisby Tankers* the following questions relating to this report:
 1. What, if any, has *Wisby Tankers* done to assess the possible negative effects the trade has in the conflict of Western Sahara?
 2. Has *Wisby Tankers* sought the consent of representatives of the people of Western Sahara that is, the Saharawi people themselves (and not introduced settlers brought into the territory by Morocco) regarding these shipments of petroleum? If yes, how and when?
 3. Does *Wisby Tankers* believe that such transports could have problematic consequences for the solving of the conflict of the territory? If yes, which and how, and what has *Wisby Tankers* done to address such concerns?

“The Court’s conclusion is that the materials and information presented to it do not establish any tie of territorial sovereignty between the territory of Western Sahara and the Kingdom of Morocco or the Mauritanian entity. Thus the Court has not found legal ties of such a nature as might affect the application of General Assembly resolution 1514 (XV) in the decolonization of Western Sahara and, in particular, of the principle of self-determination through the free and genuine expression of the will of the peoples of the Territory.”

International Court of Justice, 16 Oct 1975